

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer: AHI HARBOR LIMITED PARTNERSHIP
Address: 1 Aloha Tower Drive, Suite 3100, Honolulu, Hawaii 96822

Project Name(*): QUEEN'S COURT
Address: 800 Bethel Street, Honolulu, Hawaii 96813

Registration No. 4940 (Conversion)
Effective date: December 11, 2002
Expiration date: January 11, 2004

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

Expiration Date of Reports: Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the effective date unless a Supplementary Public Report is issued or unless the Commission issues an order, a copy of which is attached to this report, extending the effective date for the report.

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

Type of Report:

- PRELIMINARY: (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report.
FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
SUPPLEMENTARY: (pink) This report updates information contained in the:
And: Supersedes all prior public reports.

(*) Exactly as named in the Declaration

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2644 to submit your request. FORM: RECO-30 286/986/189/1190/892/0197/1098/0800

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report as Exhibit "H" Not Required - Disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

No prior reports have been issued by the developer.

Changes made are as follows:

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General Information On Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owners/tenants) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements at the lessee's expense. Leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in your individual apartment; and (2) an undivided interest in the common elements.

"Common elements" are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called "limited common elements" and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the project's Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: AHI Harbor Limited Partnership Phone: (808) 529-0909
Name* (Business)
1 Aloha Tower Drive, Suite 3100
Business Address
Honolulu, Hawaii 96813

Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership (LLP); or manager and members of a Limited Liability Company (LLC) (attach separate sheet if necessary):

AHI Harbor Limited Partnership is a Delaware limited partnership whose general partners are Trinity Harbor Genpar, L.P., a Delaware limited partnership, and AP-GP Harbor Partners LLC, a Delaware limited liability company.

Real Estate Broker*: CB Richard Ellis, Inc. Phone: (808) 540-3603
Name (Business)
1001 Bishop Street, 2000 Pacific Tower
Business Address
Honolulu, Hawaii 96813

Escrow: Title Guaranty Escrow Services, Inc. Phone: (808) 521-0209
Name (Business)
235 Queen Street
Business Address
Honolulu, Hawaii 96813

General Contractor*: Not applicable Phone: (Business)
Name
Business Address

Condominium Managing Agent*: CB Richard Ellis Hawaii, Inc. Phone: (808) 540-3603
Name (Business)
1001 Bishop Street, Ste. 2000
Business Address
Honolulu, Hawaii 96813

Attorney for Developer: William J. Carey, Esq. Phone: (808) 275-0122
Name Davis Wright Tremaine (Business)
1001 Bishop Street, 1360 Pauahi Tower
Business Address
Honolulu, Hawaii 96813

* For Entities: Name of corporation, partnership, Limited Liability Partnership (LLP), or Limited Liability Company (LLC)

**II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS**

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

A. **Declaration of Condominium Property Regime** contains a description of the land, buildings, apartments, common elements, limited common elements, common interests, and other information relating to the condominium project.

The Declaration for this condominium is:

<input type="checkbox"/>	Proposed				
<input checked="" type="checkbox"/>	Recorded -	Bureau of Conveyances:	Document No.	<u>2002-042886</u>	
			Book		Page
<input checked="" type="checkbox"/>	Filed -	Land Court:	Document No.	<u>2786097</u>	

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]:

Amendment of Declaration of Condominium Property Regime and Condominium Map dated September 10 & 20, 2002, filed in the Land Court as Document No. 2843949, and also recorded in the Bureau of Conveyances as Document No. 2002-169971; Amended and Restated Declaration of Condominium Property Regime dated September 10 & 20, 2002, filed in the Land Court as Document No. 2843950, and also recorded in the Bureau of Conveyances as Document No. 2002-169972.

B. **Condominium Map (File Plan)** shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

<input type="checkbox"/>	Proposed				
<input checked="" type="checkbox"/>	Recorded -	Bureau of Conveyances Condo Map No.	<u>3408</u>		
<input checked="" type="checkbox"/>	Filed -	Land Court Condo Map No.	<u>1462</u>		

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]:

Amendment of Declaration of Condominium Property Regime and Condominium Map dated September 10 & 20, 2002, filed in the Land Court as Document No. 2843949, and also recorded in the Bureau of Conveyances as Document No. 2002-169971.

C. **Bylaws of the Association of Apartment Owners** govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters which affect how the condominium project will be governed

The Bylaws for this condominium are:

<input type="checkbox"/>	Proposed				
<input checked="" type="checkbox"/>	Recorded -	Bureau of Conveyances:	Document No.	<u>2002-042887</u>	
			Book		Page
<input checked="" type="checkbox"/>	Filed -	Land Court:	Document No.	<u>2786120</u>	

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]:

Amended and Restated Bylaws of Association of Apartment Owners dated September 10 & 20, 2002, filed in the Land Court as Document No. 2843951, and also recorded in the Bureau of Conveyances as Document No. 2002-169973.

D. **House Rules.** The Board of Directors may adopt House Rules to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial House Rules are usually adopted by the developer.

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

E. **Changes to Condominium Documents** Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. **Apartment Owners:** Minimum percentage of common interest which must vote for or give written consent to changes:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%*	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>Board of Directors</u>

* The percentages for individual condominium projects may be more than the minimum set by law for projects with five or fewer apartments.

2. **Developer:**

No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules:

1. To grant easements for utility easements (see paragraph N.1 of the Declaration).
2. To subdivide any Apartment into any number of separate Apartments ("Resulting Apartments"), provided that the total common interest appurtenant to all Resulting Apartments shall at all times equal in the aggregate the total common interest of the Apartment prior to such subdivision (see paragraph M.6 of the Declaration).

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

- Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.
- Leasehold or Sub-leasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

Leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (apartment owner/tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.

Exhibit "K" contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: May 27, 2074 Rent Renegotiation Date(s): May 27, 2024; May 27, 2034, May 27, 2044; May 27, 2054, and May 27, 2064

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit "A" contains a schedule of the lease rent for each apartment per: Month Year

For Sub-leaseholds: * At commencement of lease

- Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is: Canceled Foreclosed
- As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.

- Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Sub-leasehold:

Leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners/tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements at the lessee's expense; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____ Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per: Month Year

Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of leasehold condominiums and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are then subject to renegotiation. Renegotiation may be based on a formula, by arbitration set in the lease agreement, by law or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

B. Underlying Land:

Address: 800 Bethel Street Tax Map Key (TMK): (1) 2-1-002-026
Honolulu, Hawaii 96813

Address TMK is expected to change because _____

Land Area: 16,724 square feet acre(s) Zoning: BMX-4

Fee Owner: City and County of Honolulu
 Name
650 South King Street
 Address
Honolulu, Hawaii 96813

Lessor: N/A
 Name

 Address

C. **Buildings and Other Improvements:**

1. New Building(s)
 Conversion of Existing Building(s)
 Both New Building(s) and Conversion

2. Number of Buildings: 1 Floors Per Building: 6

Exhibit "A" contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood
 Other steel, aluminum, glass and allied building materials

4. Uses Permitted by Zoning

	<u>No. of Apts.</u>	<u>Use Permitted By Zoning</u>	
<input type="checkbox"/> Residential	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Commercial	<u>6</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Agricultural	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Other	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?
 Yes No

5. Special Use Restrictions:

The Declaration and Bylaws may contain restrictions on the use and occupancy of the apartments. Restrictions for this condominium project include but are not limited to:

- [X] Pets: House Rules do not allow pets except guide dogs, signal dogs, and service animals
- [X] Number of Occupants: As permitted under the City and County Ordinance
- [X] Other: See House Rules
- [] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 2 Stairways: 3 Trash Chutes: none

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
<u>SEE EXHIBIT "A"</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Total Number of Apartments: 6

***Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.**

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

Boundaries of Each Apartment:

SEE EXHIBIT "B"

Permitted Alterations to Apartments:

SEE EXHIBIT "C"

Apartments Designated for Owner-Occupants Only: N/A

Fifty percent (50%) of **residential** apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11a). Developer has N/A elected to provide the information in a published announcement or advertisement.

7. Parking Stalls:

Total Parking Stalls: 60 (54 are available to Apartments, and 6 are subject to 30-year leases to owners of apartments at Harbor Court)

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	
Assigned (for each unit)	<u>23</u>	<u> </u>	<u>31</u>	<u> </u>	<u> </u>	<u> </u>	<u>54</u>
Guest	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Unassigned	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Extra for Purchase	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other: <u> </u>	<u>5</u>	<u> </u>	<u>1</u>	<u> </u>	<u> </u>	<u> </u>	<u>6</u>
Total Covered & Open:	<u>28</u>	<u> </u>	<u>32</u>	<u> </u>	<u>0</u>	<u> </u>	<u>60</u>

Each apartment will have the exclusive use of at least 7 parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use.

Commercial parking garage permitted in condominium project.

Exhibit: "D" contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

There are no recreational or common facilities.

Swimming pool Storage Area Recreation Area

Laundry Area Tennis Court Trash Chute/Enclosure(s)

Other: Lobby

9. Compliance With Building Code and Municipal Regulations; Cost to Cure Violations

There are no violations Violations will not be cured.

Violations and cost to cure are listed below. Violations will be cured by
(Date)

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations (For conversions of residential apartments in existence for at least five years):

This provision is not applicable because this is a conversion of commercial, and not residential, apartments.

11. Conformance to Present Zoning Code

- a. No variances to zoning code have been granted.
 Variance(s) to zoning code was/were granted as follows:

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	X	_____	_____
Structures	X	_____	_____
Lot	X	_____	_____

If a variance has been granted or if uses, improvements or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

D. Common Elements, Limited Common Elements, Common Interest:

1. Common Elements: Common Elements are those parts of the condominium project other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration, are:

- described in Exhibit “E”.
 as follows:

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

There are no limited common elements in this project.

The limited common elements and the apartments which use them, as described in the Declaration, are:

described in Exhibit "F".

as follows:

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

described in Exhibit "A".

as follows:

E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit "G" describes the encumbrances against the title contained in the title report dated September 25, 2002 and issued by Title Guaranty of Hawaii, Inc.

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

[X] There are no blanket liens affecting title to the individual apartments.

[] There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
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F. Construction Warranties:

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements: None. Units to be conveyed "as is".

2. Appliances: None. Appliances to be conveyed "as is".

G. **Status of Construction and Date of Completion or Estimated Date of Completion:**

Construction of the Project was substantially completed on June 1, 1994.

H. **Project Phases:**

The developer [X] has [] has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's plans or right to perform for future development (such as additions, mergers or phasing):

Developer has reserved the right to further subdivide and to combine and merge the Apartments in this Project.

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

Sales documents on file with the Real Estate Commission include but are not limited to:

- Notice to Owner Occupants
- Specimen Sales Contract
Exhibit "I" contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated October 3, 2002
Exhibit "J" contains a summary of the pertinent provisions of the escrow agreement.
- Other _____

B. Buyer's Right to Cancel Sales Contract:

1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

Preliminary Report: Sales made by the developer are not binding on the prospective buyer. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to \$250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report or Supplementary Report to a Final Report: Sales made by the developer are binding if:

- A) The Developer delivers to the buyer a copy of:
 - 1) Either the Final Public Report **OR** the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission; **AND**
 - 2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
- B) The buyer is given an opportunity to read the report(s); **AND**
- C) One of the following has occurred:
 - 1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or
 - 2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
 - 3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

- A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; **AND**
- B) The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:

- A) Condominium Public Reports issued by the developer which have been issued an effective date by the Hawaii Real Estate Commission.
- B) Declaration of Condominium Property Regime, as amended.
- C) Bylaws of the Association of Apartment Owners, as amended.
- D) House Rules, if any.
- E) Condominium Map, as amended.
- F) Escrow Agreement.
- G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
- H) Other _____

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P. O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 4940 filed with the Real Estate Commission on October 4, 2002.

Reproduction of Report. When reproduced, this report must be on:

YELLOW paper stock WHITE paper stock PINK paper stock

C. **Additional Information Not Covered Above**

Right to Modify Sales Contract The Developer is permitted to modify its standard form of sales agreement. Such modifications may address such issues, without limitation, as the conditioning of the purchase of the Apartment on the prior sale of the prospective purchaser's property and providing for payments or credits by the Developer for such items as furnishings, improvements and future maintenance fees.

Rental of Apartments The Developer is permitted to and may lease Apartments in the Project. Accordingly, a prospective purchaser should determine if the Apartment that such purchaser desires to buy has been previously leased, as the condition of a previously leased apartment may be less perfect than that of an Apartment which had not been previously leased.

- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to section 514A-1.6 (The developer is required to make this declaration for issuance of an effective date for a public report.)
- E. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

AHI HARBOR LIMITED PARTNERSHIP

 Print Name of Developer

By: TRINITY HARBOR GENPAR, L.P.
 its General Partner

By: TRINITY HARBOR GENPAR, INC.
 its General Partner

By: 
 Name: Dino Hernandez
 Title: Vice President
 Date: October 4, 2002

Distribution:

Department of Finance, City and County of Honolulu
 Planning Department, City and County of Honolulu

*** Must be signed for a: corporation by an officer; partnership or Limited Liability Partnership (LLP) by the general partner; Limited Liability Company (LLC) by the manager or member; and for an individual by the individual.**

EXHIBIT 'A'
QUEEN'S COURT
DESCRIPTION OF APARTMENTS, APARTMENT TYPES, AND COMMON INTERESTS

APT NO.	APT TYPE	APPROXIMATE NET FLOOR AREA IN SQ. FT.			OFFICE CLASS COMMON INTERESTS	MO. MAINT. FEES	MO. LEASE RENT	MO. REAL PROPERTY TAXES	NO. OF PARKING STALLS ALLOCATED
		LIVING	LANAI	TOTAL					
OFFICE 1	O1	9,655		9,655	21.41320%	\$ 4,603.84	\$ 4,041.74	\$ 1,122.41	11
OFFICE 2	O2	8,867	548	9,415	19.66555%	4,228.09	3,711.87	1,030.80	11
OFFICE 3	O3	8,523	288	8,811	18.90261%	4,064.06	3,567.87	990.81	7
OFFICE 4	O4	7,557	717	8,274	16.76019%	3,603.44	3,163.48	878.51	9
OFFICE 5	O5	6,365	969	7,334	14.11653%	3,035.05	2,664.49	739.94	9
OFFICE 6	O6	4,122	1,573	5,695	9.14192%	1,965.51	1,725.54	479.19	7
TOTALS		45,089	4,095	49,184	100.00000%	\$ 21,500.00	\$ 18,875.00	\$ 5,241.67	54

PARKING STALLS IN HARBOR COURT PARKING APARTMENT #3 TO BE CONVEYED WITH QUEEN'S COURT APARTMENTS BY WAY OF LICENSES AGREEMENTS

(Parking Apartments 1 - 6 in the below tables are not legally divided apartments under Ch. Chapter 514A, HRS, but are merely terms used for the purpose of defining a particular group of parking stalls to be covered by the license agreements. Six of the sixty stalls are subject to 30-year leases to owners in Harbor Court, and shall be retained by the Developer/Association)

QUEEN'S COURT PARKING APTS. WITHIN HARBOR COURT PARKING APT. 3							
QUEEN'S COURT NO.	PARKING APT NO.	STALLS			TOTAL PARKING STALLS	HARBOR CT. PRKG CLASS COM. INT.	HC AOAO COMMON INTEREST
		COM PACT	FULL SIZE	SQ. FT. TOTAL			
OFFICE 1	PARKING 1	8	3	798	11	1.289563%	0.174900%
OFFICE 2	PARKING 2	7	4	798	11	1.289563%	0.174900%
OFFICE 3	PARKING 3	4	3	508	7	0.820631%	0.111300%
OFFICE 4	PARKING 4	4	5	653	9	1.055097%	0.143100%
OFFICE 5	PARKING 5	5	4	653	9	1.055097%	0.143100%
OFFICE 6	PARKING 6	3	4	508	7	0.820631%	0.111300%
	Addtl. Stalls	1	5	435	6	0.703398%	0.111300%
TOTALS		32	28	4,350	60	7.033980%	0.969900%

QC CLASS LIMITED COMMON INTERESTS
18.333333%
18.333333%
11.666667%
15.000000%
15.000000%
11.666667%
10.000000%

PRKG APT NO.	PARKING MO. MAINT. FEES	MO. GROUND RENT	REAL PROPERTY TAXES	TOTAL MONTHLY EXPENSES	PER STALL MONTHLY EXPENSES
PARKING 1	\$ 339.99	\$296.01	\$ 114.58	\$ 750.58	\$ 68.23
PARKING 2	\$ 339.99	\$296.01	\$ 114.58	\$ 750.58	\$ 68.23
PARKING 3	\$ 216.36	\$188.37	\$ 72.92	\$ 477.64	\$ 68.23
PARKING 4	\$ 278.17	\$242.19	\$ 93.75	\$ 614.11	\$ 68.23
PARKING 5	\$ 278.17	\$242.19	\$ 93.75	\$ 614.11	\$ 68.23
PARKING 6	\$ 216.36	\$188.37	\$ 72.92	\$ 477.64	\$ 68.23

\$ 1,669.05 \$ 1,453.14 \$ 562.50 \$ 3,684.69

EXHIBIT "A" continued

Description of Apartments, Apartment Types, and Common Interest

1. Office 1 is located on the first floor of the building and consists of one unfurnished room with a net living area of approximately 9,655 square feet.
2. Office 2 is located on the second floor of the building and consists of one unfurnished room with a net living area of approximately 8,867 square feet. Office 2 also has a 548 square feet lanai.
3. Office 3 is located on the third floor of the building and consists of one unfurnished room with a net living area of approximately 8,523 square feet. Office 3 also has a 288 square feet lanai.
4. Office 4 is located on the fourth floor of the building and consists of one unfurnished room with a net living area of approximately 7,557 square feet. Office 4 also has a 717 square feet lanai.
5. Office 5 is located on the fifth floor of the building and consists of one unfurnished room with a net living area of approximately 6,365 square feet. Office 5 also has a 967 square feet lanai.
6. Office 6 is located on the sixth floor of the building and consists of one unfurnished room with a net living area of approximately 4,122 square feet. Office 6 also has a 1,573 square feet lanai.

EXHIBIT "B"

Boundaries of Each Apartment

Each Apartment shall be deemed to include (i) all the walls and partitions which are not load-bearing within its perimeter walls, (ii) all pipes, shafts, ducts, pumps, conduits, wires and other utility or service lines running through such Apartment which are utilized for and serve only that Apartment, (iii) the inner decorated or finished surfaces of all walls, floors and ceilings, (iv) any doors or panels along the perimeters, (v) all cranks, frames and other window or sliding door hardware, and (vi) all appliances and fixtures installed therein and replacements thereof.

EXHIBIT "C"

Alteration of Apartments

1. General Provisions. Except as otherwise expressly provided in Article M of the Declaration to the contrary, restoration or replacement of the Project or construction of any additional building or structural alteration or addition to any building, different in any material respect from the Condominium Map of the Project, shall be undertaken by the Association or any Apartment Owner only pursuant to an amendment of the Declaration, accompanied by the written consent of the holders of all liens affecting any of the Apartments involved, and in accordance with complete plans and specifications therefor first approved in writing by the Board.

2. Additions or Alterations Solely Within an Apartment. Each Owner of an Apartment shall have the right at his sole cost and expense, and without the necessity of the consent or joinder of any other Apartment Owner or an amendment of the Declaration, but with the prior approval of the Board in accordance with Article M.2 of the Declaration, to make any of the following alterations solely within the Apartment: to install, maintain, remove, and rearrange partitions and other structures from time to time within such Apartments, and to paint, paper, panel, plaster, tile, finish, and do or cause to be done such other work on the interior surfaces of the ceilings, floors and walls within any such Apartment and to finish, alter or substitute any air-conditioning, plumbing, electrical or other fixtures attached to said ceilings, floors and walls as shall be appropriate for the utilization of such Apartment by such Owner or the tenants or lessees thereof; provided, however, no work or alteration work shall be permitted which would jeopardize the soundness or safety of any part of the Project, reduce the value therefor, adversely affect any other Apartment, alter the uniform external appearance of the Project, or affect or impair any easement or right of any other Apartment Owner.

3. Adjoining Apartments May Be Combined. The Owner of any two adjoining Apartments may, with the consent of any mortgagee of such Apartments, alter or remove all or portions of the intervening wall which separates such Apartments if the structural integrity of the building in which the Apartments are located is not thereby affected and if the finish of the Common Elements then remaining is restored to a condition substantially comparable to that of the Common Elements prior to such alteration of the Common Elements. Prior to commencing any such alteration or removal work, the Owner shall comply with all the conditions imposed by Article M.3 of the Declaration. The right to consolidate and resubdivide Apartments shall not apply between floors.

4. Subdivision of Apartments. The Owner of an Apartment may, with the consent of all mortgagees of record of any interest in such Apartment, from time to time subdivide such Apartment (the "Original Apartment") into any number of separate Apartments (the "Resulting Apartments") and may create walls, partitions, doors, foyers, corridors or vestibules between the Resulting Apartments, and may allocate any Limited Common Elements appurtenant to the Original Apartment to the Resulting Apartments, upon the terms and conditions set forth in Article M.6 of the Declaration.

EXHIBIT "D"

Description of Parking Apartment and Parking Stalls Appurtenant to Apartments

The parking stalls for the Project are located on parking levels P4 and P11 of the Pedestal Structure at the Harbor Court condominium project across the street from the Project. The City and County of Honolulu (the "City") is the holder of a fee interest, and the Developer is the holder of a leasehold interest, in Apartment No. Parking 3 (the "Parking Facility") at Harbor Court, which Parking Facility contains sixty (60) parking stalls, six (6) of which are subject to 30-year leases with owners of apartments at Harbor Court. At the time of the first conveyance of each Apartment pursuant to the issuance by the City of an Apartment Lease to an Apartment Owner, the Developer, or its successor or assigns, shall issue to such Apartment Owner a license, for a term of equal duration as the term specified in the Apartment Lease, to use the particular parking stalls appurtenant to that Apartment as set forth in the table on next page. The license shall be issued to an Owner of an Apartment pursuant to a License Agreement to be recorded concurrently with the Apartment Lease relating to that Apartment, and the License Agreement shall at all times thereafter be transferred together with that Apartment Lease in connection with any transfer of that Apartment. The license to use the particular parking stalls in question shall not be separated from the Apartment to which they appertain; provided, however, that in the event of a subdivision of an Apartment as provided in Section 6 of Article M in the Declaration, at the time of issuance of the Replacement Apartment Leases, the Developer, or its successors or assigns, shall enter into individual License Agreements (collectively the "Replacement License Agreements") covering the parking stalls appurtenant to each of the Resulting Apartments.

Concurrently with the conveyance by the Developer, or its successor or assigns, of the last remaining Apartment in the Project, the Developer, or its successor or assigns, may assign the lease covering the Parking Facility (the "Parking Facility Lease") to the Association or an alternative entity owned by all Apartment Owners in accordance with their Common Interest, for the purpose of holding title to the Parking Facility for the benefit of all Apartment Owners for the remaining term of the Apartment Leases; and such assignment of the Parking Facility Lease to the Association shall not require the consent or joinder of the Fee Owner, any other Apartment Owner, or any other person. The Association, or such alternative entity, shall be responsible for the payment of maintenance fee, ground rent, real property taxes, and all other expenses associated with the six (6) parking stalls which are the subject of the aforementioned 30-year leases, and such expenses shall be common expenses. At the termination of the aforementioned 30-year leases, the use of those six (6) parking stalls shall be as determined by the affirmative vote of seventy-five percent (75%) of the Apartment Owners, and the nature of such use shall be set forth in a recorded amendment to the Declaration.

EXHIBIT 'D' Continued

ALLOCATION OF HARBOR COURT PARKING APT. #3
TO QUEEN'S COURT APT. OWNERS

APT NO.	PRKG APT. NO.	NO. OF PARKING STALLS	PARKING STALL LOCATION	TOTAL COMPACT STALLS	TOTAL STANDARD STALLS
OFFICE 1	1	11	P4 27 (C)	1	
			P4 28 (C)	1	
			P4 29 (C)	1	
			P4 30 (C)	1	
			P4 31 (C)	1	
			P11 21 (S)		1
			P11 22 (S)		1
			P11 23 (C)	1	
			P11 24 (C)	1	
			P11 25 (C)	1	
			P11 26 (S)		1
OFFICE 2	2	11	P11 27 (S)		1
			P11 28 (S)		1
			P11 29 (S)		1
			P11 11 (C)	1	
			P11 12 (C)	1	
			P11 13 (C)	1	
			P11 14 (C)	1	
			P11 15 (C)	1	
			P11 16 (S)		1
			P11 17 (C)	1	
OFFICE 3	3	7	P11 18 (C)	1	
			P11 19 (C)	1	
			P11 20 (S)		1
			P11 4 (S)		1
			P11 5 (S)		1
			P11 6 (C)	1	
			P11 7 (C)	1	
OFFICE 4	4	9	P4 10A (C)	1	
			P4 11B (C)	1	
			P4 12 (S)		1
			P4 13 (S)		1
			P4 14 (C)	1	
			P4 15 (S)		1
			P4 16 (S)		1
			P4 17 (S)		1
			P4 8A (C)	1	
			P4 9B (C)	1	
OFFICE 5	5	9	P4 18 (C)	1	
			P4 19 (C)	1	
			P4 20 (C)	1	
			P4 21 (C)	1	
			P4 22 (S)		1
			P4 23 (C)	1	
			P4 24 (S)		1
			P4 25 (S)		1
			P4 26 (S)		1
OFFICE 6	6	7	P4 1 (S)		1
			P4 2 (S)		1
			P4 3 (S)		1
			P4 4 (S)		1
			P4 5 (C)	1	
			P4 6 (C)	1	
			P4 7 (C)	1	
STALLS SUBJECT TO 30 YEAR LEASES WITH RESIDENTIAL OWNERS OF HARBOR COURT		6	P11 10 (S)		1
			P11 1 (S)		1
			P11 2 (S)		1
			P11 3 (S)		1
			P11 8 (S)		1
			P11 9 (C)	1	
TOTAL STALLS		60		32	28

(Parking Apartments 1 - 6 in the above table are not legally divided apartments under Ch. 514A, HRS, but are merely terms used for the purposes of deining a particular group of parking stalls appurtenant to each apartment)

EXHIBIT "E"

Description of Common Elements

The common elements include the following located within the Project:

- a. The Land in fee simple.
- b. All unfinished, undecorated portions of all perimeter (including party) and interior load-bearing walls, the undecorated or unfinished surfaces of floors and ceilings, all structural components, foundations, floor slabs, columns, girders, beams, supports, ceilings and spaces between the ceiling and the floor slab or roof above, tinted windows including any film or other coating thereon, and roofs.
- c. All yards, grounds planters, trellises and landscaping and all refuse facilities, if any, whether within or appurtenant to the Project.
- d. All roads, parking areas, driveways, ramps, loading areas and walkways which are rationally of common use by Owners of more than one Apartment.
- e. All ducts, sewer lines, electrical equipment, wiring, pipes and other central and appurtenant transmission facilities over, under and across the Project which serve more than one Apartment for services such as power, light, water, gas, sewer, refuse, telephone and radio and television signal distribution. The portions of the central air conditioning systems, which are not located within the various Apartments, are also Common Elements.
- f. The entirety of the fire sprinkler system including portions thereof installed within the various Apartments.
- g. Elevators, storage areas, hallways, corridors, interior and exterior stairs, stairways, bathrooms, and other similar areas which are not part of an Apartment.
- h. Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

EXHIBIT "F"

Description of Limited Common Elements

Certain parts of the Common Elements, called the "Limited Common Elements", are designated, set aside and reserved for the exclusive use of certain Apartments, and such Apartments shall have appurtenant thereto exclusive easements for the use of such Limited Common Elements. Each wall between two (2) adjoining apartments shall be a Limited Common Element appurtenant to such Apartments when (a) both such Apartments are owned by the same Apartment Owner and (b) the Board has approved the designation of a portion of such wall for access between the two (2) Apartments pursuant to Article M of the Declaration. The costs and expenses of every description pertaining to the Limited Common Elements, including but not limited to the costs of maintenance, repair, replacement, improvement or additions to the Limited Common Elements shall be charged to the Owner of the Apartment to which the Limited Common Element shall be appurtenant, and if there is more than one Apartment to which the Limited Common Elements shall be appurtenant, then in proportion to the Common Interest appurtenant to each of the respective Apartments except as otherwise provided in the Declaration.

EXHIBIT "G"

Encumbrances Against Title

Encumbrances against the title as contained in the Status Report dated September 25, 2002, and issued by Title Guaranty of Hawaii, Inc. are as follows:

1. For Real Property Taxes that may be due and owing reference is made to the Office of the Tax Assessor, City and County of Honolulu.
2. Restriction of vehicle access rights as shown on Map 4, as set forth by Land Court Order No. 10626, filed September 14, 1951.
3. Abutters rights of vehicle access as conveyed to the State of Hawaii, as set forth in that certain Deed dated September 16, 1953, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 153053.
4. Designation of Easement "1" for building overlap and roof overhang purposes, as shown on Map 5, as set forth by Land Court Order No. 119164, filed December 21, 1994.
5. Designation of Easement "2" for roof overhang purposes, as shown on Map 5, as set forth by Land Court Order No. 119164, filed December 21, 1994.
6. Designation of Easement "3" for electric purposes, as shown on Map 5, as set forth by Land Court Order No. 119164, filed December 21, 1994.
7. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
8. That certain portion of electrical easement extending in a northwesterly direction from the north and of Easement "3", as shown on Land Court Map 5 of Land Court Application 397, containing an area of eleven (11) square feet, more or less, for electrical purposes, as shown on Survey Map prepared by Marius J. Fischer, Registered Professional Land Surveyor, with R. M. Towill Corporation, dated February 4, 1991.
9. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in that certain unrecorded Master Development Lease (Nuuanu Court Site) dated June 25, 1991, by and between the CITY AND COUNTY OF HONOLULU, a municipal corporation of the State of Hawaii, as Lessor, and THE BEAM HARBOR VENTURE, a Hawaii general partnership, as Lessee.

A Short Form of said Master Development Lease is dated June 25, 1991, and recorded in said Office of the Assistant Registrar of the Land Court as Document No. 1830580, and also recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 91-085045.

Said Master Development Lease was amended by that certain instrument dated August 30, 1996, recorded in said Office of the Assistant Registrar of the Land Court as Document No. 2335288, and also recorded in said Bureau of Conveyances as Document No. 96-130881.

The Lessee's interest in said Master Development Lease was assigned to AHI HARBOR LIMITED PARTNERSHIP, a Delaware limited partnership, by that certain instrument dated July 6, 2000, recorded in said Office of the Assistant Registrar of the Land Court as Document No. 2636182, and also recorded in said Bureau of Conveyances as Document No. 2000-092469.

10. Portions of the roof crosses into Bethel Street as shown on survey map prepared by Russell Figueiroa, Licensed Professional Land Surveyor, with R. M. Towill Corporation, dated March 20, 1997.

11. Condominium Map No. 1462 filed in said Office of the Assistant Registrar of the Land Court, and Condominium Map No. 3408 recorded in said Bureau of Conveyances.

12. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in that certain Declaration of Condominium Property Regime dated November 30, 2001 and February 11, 2002, recorded in said Office of the Assistant Registrar of the Land Court as Document No. 2786097, and also recorded in said Bureau of Conveyances as Document No. 2002-042886. Said Declaration was amended by that certain instrument dated September 10 and 20, 2002, recorded in said Office of the Assistant Registrar of the Land Court as Document No. 2843949, and also recorded in said Bureau of Conveyances as Document No. 2002-169971, and that certain instrument dated September 10 and 20, 2002, recorded in said Office of the Assistant Registrar of the Land Court as Document No. 2843950, and also recorded in said Bureau of Conveyances as Document No. 2002-169972.

13. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in those certain Bylaws of the Association of Apartment Owners dated November 30, 2001 and February 11, 2002, recorded in said Office of the Assistant Registrar of the Land Court as Document No. 2786098, and also recorded in said Bureau of Conveyances as Document No. 2002-042887. Said Bylaws was amended by that certain instrument dated September 10 and 20, 2002, recorded in said Office of the Assistant Registrar of the Land Court as Document No. 2843951, and also recorded in said Bureau of Conveyances as Document No. 2002-169973.

14. Parking Facility Agreement dated September 20, 2002, by and between the CITY AND COUNTY OF HONOLULU, a municipal corporation of the State of Hawaii, AHI HARBOR LIMITED PARTNERSHIP, a Delaware limited partnership, and the ASSOCIATION OF APARTMENT OWNERS OF QUEEN'S COURT, an unincorporated condominium association, recorded in said Office of the Assistant Registrar of the Land Court as Document No. 2843948, and also recorded in said Bureau of Conveyances as Document No. 2002-169970.

15. Any unrecorded leases and matters arising from or affecting the same.

16. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other matters which a correct survey or archaeological study would disclose.

EXHIBIT "H"

Disclosure Abstract

1. a. PROJECT: Queen's Court
821 Bethel Street
Honolulu, Hawaii 96813
- b. DEVELOPER: AHI Harbor Limited Partnership
1 Aloha Tower Drive, Suite 3100
Honolulu, Hawaii 96813
- c. FEE OWNER: City and County of Honolulu
650 South King Street
Honolulu, Hawaii 96813
- d. MANAGING AGENT: CB Richard Ellis Hawaii, Inc.
1001 Bishop Street, Suite 2000
Honolulu, Hawaii 96813
- e. REAL ESTATE BROKER: CB Richard Ellis, Inc.
1001 Bishop Street, Suite 2000
Honolulu, Hawaii 96813
2. MAINTENANCE FEES. A breakdown of the estimated annual operating expenses for the Project and the estimated monthly common expenses assessable to each Apartment in the Project, certified to have been prepared in accordance with generally accepted accounting principles, are set forth in this Exhibit "H".
3. DESCRIPTION OF ALL WARRANTIES COVERING THE APARTMENTS AND COMMON ELEMENTS.
 - a. Building and Other Improvements: None. Apartments to be conveyed "as is".
 - b. Appliances: None. Appliances to be conveyed "as is".
 - c. Disclaimer of Warranties: THE DEVELOPER MAKES NO WARRANTIES OR PROMISES OF "MERCHANTABILITY", "HABITABILITY", "WORKMANLINE CONSTRUCTION" OR "FITNESS FOR A PARTICULAR USE OR PURPOSE" OR ANY OTHER WARRANTIES OR PROMISES OF ANY KIND, EXPRESS OR IMPLIED, ABOUT THE APARTMENT OR THE PROJECT (INCLUDING THE COMMON ELEMENTS AND LIMITED COMMON ELEMENTS OF THE PROJECT), OR ABOUT ANY FURNISHINGS, FIXTURES, APPLIANCES OR OTHER CONSUMER PRODUCTS OR ANYTHING ELSE INSTALLED, ATTACHED, AFFIXED OR

OTHER WISE CONTAINED IN THE APARTMENT OR THE PROJECT (INCLUDING THE COMMON ELEMENTS AND LIMITED COMMON ELEMENTS).

4. USE OF APARTMENTS. The Apartments may be used (a) for office, commercial, retail and accessory purposes, and (b) for other purposes as permitted under applicable law and approved by the Fee Owner in its reasonable discretion.

QUEEN'S COURT - AOAO
2002 OPERATING BUDGET
6 OFFICE APTS. - 45,089 SF.

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
LANDSCAPING OTHER	2,150	2,150	3,900	2,650	2,150	2,450	2,150	2,150	2,950	2,150	2,150	2,450	29,450
TOTAL LOT & LANDSCAPING	2,150	2,150	3,900	2,650	2,150	2,450	2,150	2,150	2,950	2,150	2,150	2,450	29,450
SECURITY	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
CONTRACT SVC-SECURITY	50	50	50	50	50	50	50	50	50	50	50	50	600
SECURITY - OTHER	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	12,600
REIMBURSE SECURITY	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL SECURITY	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	12,600
MANAGEMENT COSTS	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	21,000
AOAO MANAGEMENT FEE	250	250	250	250	250	250	250	250	250	250	250	250	3,000
AOAO OFFICE EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-
ONSITE WAGES AND BENE	-	-	-	-	-	-	-	-	-	-	-	-	-
ONSITE COSTS - OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL MANAGEMENT COSTS	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
TAXES	-	-	-	-	-	-	-	-	-	-	-	-	-
PROPERTY TAX	-	-	-	-	-	-	-	-	-	-	-	-	-
PROPERTY TAX OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
GENERAL EXCISE TAXES	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL PROPERTY TAX	-	-	-	-	-	-	-	-	-	-	-	-	-
INSURANCE	780	780	-	-	2,450	1,650	600	600	600	600	600	600	9,260
PROPERTY DAMAGE & LIAB.	-	-	-	-	-	-	-	-	-	-	-	-	-
EARTHQUAKE AND FLOOD	-	-	-	-	-	-	-	-	-	-	-	-	-
INSURANCE OTHER	780	780	-	-	2,450	1,650	600	600	600	600	600	600	9,260
TOTAL INSURANCE	780	780	-	-	2,450	1,650	600	600	600	600	600	600	9,260
GENERAL & ADMIN.	-	-	-	-	-	-	-	-	-	-	-	-	-
ACCOUNTING	-	-	-	-	-	-	-	-	-	-	-	-	-
AUDIT FEES	-	-	1,000	-	-	-	-	-	-	-	-	-	1,000
TAX PREPARATION FEES	200	200	200	200	200	200	200	200	200	200	200	200	2,400
LEGAL FEES	200	200	200	200	200	200	200	200	200	200	200	200	2,400
PROFESSIONAL FEES	-	-	-	-	-	-	-	-	-	-	-	-	-
DUES, CONTRIB & DONAT	100	100	100	100	100	100	100	100	100	100	100	100	1,200
GEN & ADMIN - OTHER	500	500	1,500	500	500	500	500	500	500	500	500	500	7,000
TOTAL GEN & ADMIN.	3,583	3,583	3,583	3,583	3,583	3,583	3,583	3,583	3,583	3,583	3,583	3,583	42,999
RESERVE FUND CONTRIB.	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXP.	21,968	20,218	22,188	19,938	21,638	21,388	20,038	20,038	20,838	21,788	20,038	20,338	252,419
NET CASH RECEIPTS	(218)	1,532	(438)	1,812	(1,888)	362	1,712	1,712	912	(38)	1,712	1,412	8,587
OVER (UNDER)													

Paid directly by Apartment Owners

EXHIBIT 'H' Continued

QUEEN'S COURT
DESCRIPTION OF APARTMENTS, APARTMENT TYPES, AND COMMON INTERESTS

APT NO.	APT TYPE	APPROXIMATE NET FLOOR AREA IN SQ. FT.			OFFICE CLASS COMMON INTERESTS	MO. MAINT. FEES	MO. LEASE RENT	MO. REAL PROPERTY TAXES	NO. OF PARKING STALLS ALLOCATED
		LIVING	LANAI	TOTAL					
OFFICE 1	O1	9,655		9,655	21.41320%	\$ 4,603.84	\$ 4,041.74	\$ 1,122.41	11
OFFICE 2	O2	8,867	548	9,415	19.66555%	4,228.09	3,711.87	1,030.80	11
OFFICE 3	O3	8,523	288	8,811	18.90261%	4,064.06	3,567.87	990.81	7
OFFICE 4	O4	7,557	717	8,274	16.76019%	3,603.44	3,163.48	878.51	9
OFFICE 5	O5	6,365	969	7,334	14.11653%	3,035.05	2,664.49	739.94	9
OFFICE 6	O6	4,122	1,573	5,695	9.14192%	1,965.51	1,725.54	479.19	7
TOTALS		45.089	4.095	49.184	100.00000%	\$ 21,500.00	\$ 18,875.00	\$ 5,241.67	54

PARKING STALLS IN HARBOR COURT PARKING APTARTMENT #3 TO BE CONVEYED WITH QUEEN'S COURT APARTMENTS BY WAY OF LICENSES AGREEMENTS

(Parking Apartments 1 - 6 in the below tables are not legally divided apartments under Ch. Chapter 514A, HRS, but are merely terms used for the purpose of defining a particular group of parking stalls to be covered by the license agreements. Six of the sixty stalls are subject to 30-year leases to owners in Harbor Court, and shall be retained by the Developer/Association)

QUEEN'S COURT PARKING APTS. WITHIN HARBOR COURT PARKING APT. 3							
QUEEN'S COURT NO.	PARKING APT NO.	STALLS			TOTAL PARKING STALLS	HARBOR CT. PRKG CLASS COM. INT.	HC AAOO COMMON INTEREST
		COM PACT	FULL SIZE	SQ. FT. TOTAL			
OFFICE 1	PARKING 1	8	3	798	11	1.289563%	0.174900%
OFFICE 2	PARKING 2	7	4	798	11	1.289563%	0.174900%
OFFICE 3	PARKING 3	4	3	508	7	0.820631%	0.111300%
OFFICE 4	PARKING 4	4	5	653	9	1.055097%	0.143100%
OFFICE 5	PARKING 5	5	4	653	9	1.055097%	0.143100%
OFFICE 6	PARKING 6	3	4	508	7	0.820631%	0.111300%
	Addl. Stalls	1	5	435	6	0.703398%	0.111300%
TOTALS		32	28	4,350	60	7.033980%	0.969900%

QC CLASS LIMITED COMMON INTERESTS
18.333333%
18.333333%
11.666667%
15.000000%
15.000000%
11.666667%
10.000000%

PRKG APT NO.	PARKING MO. MAINT. FEES	MO. GROUND RENT	REAL PROPERTY TAXES	TOTAL MONTHLY EXPENSES	PER STALL MONTHLY EXPENSES
PARKING 1	\$ 339.99	\$296.01	\$ 114.58	\$ 750.58	\$ 68.23
PARKING 2	\$ 339.99	\$296.01	\$ 114.58	\$ 750.58	\$ 68.23
PARKING 3	\$ 216.36	\$188.37	\$ 72.92	\$ 477.64	\$ 68.23
PARKING 4	\$ 278.17	\$242.19	\$ 93.75	\$ 614.11	\$ 68.23
PARKING 5	\$ 278.17	\$242.19	\$ 93.75	\$ 614.11	\$ 68.23
PARKING 6	\$ 216.36	\$188.37	\$ 72.92	\$ 477.64	\$ 68.23

\$ 1,669.05 \$ 1,453.14 \$ 562.50 \$ 3,684.69

AHI HARBOR LIMITED PARTNERSHIP (the "Developer"), the developer of the Queen's Court condominium project (the "Project"), hereby certifies that the estimates of the annual maintenance fee disbursements and monthly maintenance fee assessments set forth in this Exhibit "H" attached to the Final Public Report for the Project were prepared in accordance with generally accepted accounting principles, and that all of the information set forth in said Exhibit "H" is, to the best of the Developer's knowledge, information and belief, true and correct.

AHI HARBOR LIMITED PARTNERSHIP

By: TRINITY HARBOR GENPAR, L.P.
its General Partner

By: TRINITY HARBOR GENPAR, INC.
its General Partner

By: 
Name: Dino Hernandez
Title: Vice President

Date: October 4, 2002

EXHIBIT "I"

Summary of Pertinent Provisions of Sales Contract

The following is a summary of the pertinent provisions of the Reservation Agreement, Sales Contract and Receipt (the "Agreement") to be entered into by and between AHI HARBOR LIMITED PARTNERSHIP, a Delaware limited partnership (the "Seller"), and the "Purchaser" named in Section B therein, and which Agreement shall become effective upon the date of its execution by the Seller.

THE INFORMATION CONTAINED HEREIN IS A ONLY A SUMMARY OF THE TERMS OF THE AGREEMENT. FOR MORE DETAILED INFORMATION, YOU MUST SECURE A COPY OF THE AGREEMENT AND READ IT THOROUGHLY.

A. Section A of the Agreement contains a description of the apartment covered by the Agreement (the "Apartment").

B. Section B of the Agreement contains information concerning the Purchaser(s).

C. Section C of the Agreement contains information regarding the total purchase price, method of payment, additional sums to be paid, purchase agreement, receipt of public report and condominium documents, and agency disclosure.

D. Section D of the Agreements contains additional terms and conditions of the Agreement. The following is a summary of the provisions contained in Section D.

1. Section D.1 contains definitions of terms used in the Agreement.
2. Section D.2 provides information regarding the project, such as the address, a description of the buildings, and the number of parking stalls.
3. Section D.3 provides information about the Apartment.
4. Section D.4 provides that no furnishings are included with the purchase of the Apartment.
5. Section D.5 contains information regarding the purchase price and method of payment.
6. Section D.6 provides that any interest earned on deposits in escrow shall be paid to the Seller.
7. Section D.7 provides that, after payment of the total purchase price, the Seller will provide Purchaser with an apartment lease, and Purchaser agrees to execute and accept such apartment lease and thereby acquire leasehold title to the Apartment. Section D.7 also provides that Purchaser acknowledges having examined and

accepts and agrees to the form, terms, and conditions contained in the apartment lease.

8. Section D.8 contains information regarding financing of the purchase. It provides in part that, if financing is required by Purchaser, Purchaser shall within ten days from the date of execution of the Agreement, apply for mortgage financing, promptly sign and deliver all documents, and diligently take all steps necessary to qualify and obtain the required financing. Section D.8 further provides that Seller shall have the right, in Seller's sole discretion, to disapprove of any loan approval or mortgage commitment submitted to Seller within thirty days of the receipt of same by Seller. Section D.8 also provides that the Purchaser shall, within fifteen days from the date of execution of the Agreement, give Seller such evidence ("Cash Evidence") as Seller may require of Purchaser's ability to pay the cash portion of the total purchase price.
9. Section D.9 provides information regarding the escrow agreement which Seller has entered into with Title Guaranty Escrow Services, Inc. ("Escrow"), which escrow agreement is incorporated into the Agreement by reference, and which escrow agreement covers the deposit with Escrow of all funds paid by Purchaser under the Agreement and the disbursement of such funds by Escrow. A summary of the escrow agreement is contained in Exhibit "J" attached to the Final Public Report.
10. Section D.10 states that the Purchaser acknowledges receiving copies of, and having had a full opportunity to read and review and approves and accepts the Declaration of Condominium Property Regime, the By-Laws of the Association of Apartment Owners, the House Rules, the specimen apartment lease, the specimen license agreement (for the parking stalls), and the escrow agreement.
11. Sections D.11 and 12 lists the reservations in favor of the Seller. Section E.2 in Part II of the Final Public Report also lists reservations in favor of the Seller.
12. Section D.13 provides that Seller may pre-close a sale up to sixty days prior to Seller's estimated Closing Date by providing five days prior written notice.
13. Section D.14 contains information regarding the closing date and the Seller's remedies in case the Purchaser fails to pay the purchase price as provided in the Agreement.
14. Section D.15 provides in part that Seller shall deliver possession of the Apartment to Purchaser after Escrow's recordation of the Purchaser's apartment lease.
15. Section D.16 provides in part that the Purchaser will pay all closing costs including but not limited to the escrow fee; conveyance taxes; real property tax and other prorations; all acknowledgment fees; cost of title reports and title insurance (if requested by Purchaser); cost of any mortgagee's title insurance; appraisal fees; legal costs for preparing of the apartment lease, license agreement,

or any notes and mortgages; all recording costs or fees; loan fees; credit report costs and all other applicable mortgage costs. Purchaser shall also pay two month's maintenance fee in the amount specified in Section C in the Agreement.

16. Section D.17 provides that the apartments are being sold in their current "as is" condition.
17. Section D.18 provides in part that the Seller makes no representations regarding rental management service or any economic benefits to Purchaser.
18. Section D.19 provides in part that the condominium map, any artists renderings, and building plans and specifications are not warranties.
19. Section D.20 provides disclosures regarding: no emergency generator; cracks in concrete; no telephone and television wiring; no security system; estimate of maintenance fees; and no thermal insulation.
20. Section D.21 pertains to the employment of a managing agent.
21. Section D.23 pertains to ongoing sales activities in the project after the Purchaser has occupied the Apartment, and the use of model apartments.
22. Section D.24 provides in part that the Seller is authorized to act on behalf of the Association of Apartment Owners until the election of a board and officers.
23. Section D.25 provides in part that the Agreement shall not be binding upon Seller until executed by Seller and returned to the Purchaser.
24. Section D.26 provides in part that the Agreement shall become binding when a true copy of the Final Public Report is delivered to the Purchaser, the Purchaser has an opportunity to read the Final Public Report, and the Purchaser has taken such action or failed to take such action within the time period prescribed by law such that the Purchaser is deemed to have approved and accepted the Final Public Report. The date the Agreement shall become binding as a contract for the purchase and sale of the Apartment as set forth above shall be the Effective Date. Until the Effective Date, the Agreement is merely a reservation agreement which may be unilaterally cancelled at any time by either the Seller or the Purchaser.
25. Section D.27 governs disclosures of material changes in project.
26. Section D.28 provides in part that the Agreement shall not be construed as a present transfer of any rights or of any interest in the Apartment, but rather the Agreement is an agreement to transfer an interest in the future.
27. Section D.29 governs assignments of the Agreement.
28. Section D.30 provides in part that time is of the essence of this Agreement, and

that no action or failure to act on the part of the Seller shall constitute a waiver of any of the Seller's rights or of any term or condition of the Agreement.

29. Section D.31 governs the Seller's remedies upon default by the Purchaser. It provides in part that, if the Purchaser shall default in making any payment when required, or fail to perform any other obligation required of the Purchaser, then the Seller may terminate the Agreement. In the event of such cancellation after the Effective Date, Seller may retain all amounts paid by Purchaser under the Agreement as liquidated damages. Seller may, in addition to such liquidated damages, pursue any other remedy, including specific performance, permitted by law or equity. All costs, including reasonable attorney's fees, incurred by reason of default by the Purchaser shall be borne by the Purchaser.
30. Section D.32 governs the Purchaser's remedies upon default by the Seller. It provides in part that, after the Effective Date, if the Seller shall default in selling the Apartment to Purchaser as provided in the Agreement, then the remedy shall be specific performance by the parties.
31. Section D.33 governs notices to either party.
32. Section D.34 provides in part that if Purchaser should die prior to the closing date, the Seller reserves the right to return all sums paid hereunder by Purchaser without interest and this Agreement shall then be deemed to have been cancelled and both Seller and Purchaser shall be released from all obligations and liability under the Agreement.
33. Section D.35 provides in part that the Agreement is binding on the successors of the parties and that Purchasers are responsible individually and together.
34. Section D.36 provides in part that Hawaii law governs the Agreement.
35. Section D.37 provides that the captions of the paragraphs of the Agreement are for convenience only and do not amplify or limit in any way the provisions of the Agreement.
36. Section D.38 provides that, if any provision of the Agreement is illegal, void, or unenforceable for any reason, then the remaining terms of the Agreement shall remain in full force and effect.
37. Section D.39 provides in part that, in the event of a dispute between Seller and Purchaser, such disputes shall be submitted to arbitration in accordance with the rules of the American Arbitration Association.
38. Section D.40 provides in part that the Agreement constitutes the entire agreement between the parties, and that it supersedes and cancels all prior negotiations, representations, understandings and agreements, both written and oral, of the parties. No variations of the Agreement shall be valid or enforceable unless

approved in writing by the Seller and the Purchaser. Section D.40 also provides that, unless performed at or before closing, provisions of the Agreement shall survive the execution and recordation of the apartment lease.

Exhibit "A" attached to the Agreement is the Cooperating Brokerage Agreement. It provides in part that Seller shall direct Escrow to pay Purchaser's Broker a specified percentage of the total purchase price, through escrow, from funds coming into the hands of Escrow at closing, in the event that a conveyance document for the Apartment is recorded in the Bureau of Conveyances of the State of Hawaii. The Cooperating Brokerage Agreement further provides that Purchaser's Broker's sole right to receive brokerage fees or compensation of any type or kind from Seller shall be (a) as specified in the Cooperating Brokerage Agreement, and (b) shall be subject to all matters and provisions contained in the Agreement. The Cooperating Brokerage Agreement also provides that disputes between Purchaser's Broker and Seller's Broker are to be determined by arbitration in accordance with the provisions adopted by the Honolulu Board of Realtors, and that disputes between Purchaser's Broker and Seller are to be determined by arbitration in accordance with the provisions set forth in Section D.39 of the Agreement.

EXHIBIT "J"

Summary of Pertinent Provisions of Escrow Agreement

The following is a summary of the pertinent provisions of the Escrow Agreement dated October 3, 2002, and entered into by and between TITLE GUARANTY ESCROW SERVICES, INC. ("Escrow") and AHI HARBOR LIMITED PARTNERSHIP ("Seller"), which Escrow Agreement is referred to herein as the "Agreement".

THE INFORMATION CONTAINED HEREIN IS ONLY A SUMMARY OF THE TERMS OF THE AGREEMENT. FOR MORE DETAILED INFORMATION, YOU MUST SECURE A COPY OF THE AGREEMENT AND READ IT THOROUGHLY.

1. Paragraph 1 provides in part that, after the Seller enters into a sales contract, the Seller shall deliver an executed copy of the sales contract to Escrow. The sales contract shall be accompanied by the initial deposit required under the sales contract.

2. Paragraph 2 provides in part that Escrow shall receive and hold in escrow and disburse (a) all payments received by Escrow under the sales contracts, (b) all sums received by Escrow from the Seller, (c) all funds from any lending institution pursuant to a mortgage loan, and (d) all sums received by Escrow from any other source on account of the project. Escrow shall deposit all funds in accounts at a federally-insured bank, savings and loan association, or trust company authorized to do business in the State. Any interest earned from funds deposited in escrow shall accrue to the credit of the Seller.

3. Paragraph 3 contains conditions to be met prior to disbursement of funds. It provides in part that no disbursements of funds held in escrow shall be made until:

- a. The Real Estate Commission shall have issued a Final Public Report on the project;
- b. Seller or Seller's attorney shall have delivered a written opinion to Escrow stating that the requirements governing Section 514A-62, 514A-63, and 514A-64.5, Hawaii Revised Statutes, as amended, have been complied with, and that all sales contracts delivered to Escrow are binding upon the purchaser;
- c. Seller shall have given Escrow a written waiver of any option reserved in any sales contract to cancel such sales contract; and
- d. Seller shall have delivered to Escrow a certificate from the Seller's architect stating that the project is in compliance with the Federal Fair Housing Amendments Act of 1988.

4. Paragraph 4 governs return of funds and documents. It provides in part that, a purchaser shall be entitled to a return of funds held by Escrow if any of the following has

occurred:

- a. Seller and the purchaser shall have requested Escrow in writing to return the funds held in escrow;
- b. Seller shall have notified Escrow of Seller's exercise of any of Seller's rights to cancel the sales contract as provided in the sales contract;
- c. Purchaser has exercised the purchaser's right to cancel the sales contract pursuant to Section 514A-63, Hawaii Revised Statutes, as amended; or
- d. Purchaser has exercised the purchaser's right to cancel the sales contract pursuant to Section 514A-63, Hawaii Revised Statutes, as amended.

In any of the foregoing events, Escrow shall pay the funds to the purchaser (less a cancellation fee of not less than \$25.00 per unit or a cancellation fee commensurate with the work done by Escrow prior to the cancellation, whichever fee is greater, up to a maximum of \$250.00), and thereafter the sales contract shall be deemed cancelled. However, no refund shall be made to a purchaser prior to receipt by Seller of written notice from Escrow of Escrow's intent to make such refund.

5. Paragraph 5 provides in part that Escrow shall notify each purchaser entitled to a return of funds by registered, certified or regular mail, postage prepaid addressed to such purchaser at the purchaser's address shown on the sales contract or such other address given to Escrow by the purchaser. If such purchase shall not have claimed such refund within sixty days, the Escrow shall deposit such funds into a special account in the name of the Seller as trustee for the benefit of such purchaser. After notifying the purchaser of such facts, Escrow shall be released from any further duties or liabilities with respect to such funds and such purchaser.

6. Paragraph 6 provides in part that Escrow shall promptly and diligently arrange for and supervise the execution of all necessary documents, and shall promptly and diligently close the transactions.

7. Paragraph 7 provides in part that, if Seller desires to close any or all sales at different times, Escrow shall cooperate with Seller to facilitate such partial closings.

8. Paragraph 8 provides in part that, after the closing of each transaction, Escrow shall proceed to file and record all necessary documents to transfer title to the purchase within five business days provided that none of the closing documents are defective. If, however, any necessary document is defective or cannot be filed or recorded, Escrow shall notify the Seller and proceed to correct such defect as are within its capacity to correct. If the necessary document cannot be filed or recorded within five days after closing, Escrow shall file or record the document five days after learning that the reason that prevented its filing or recording no longer exists.

9. Paragraph 9 governs default by the purchaser. It provides in part that Seller shall notify Escrow of each event that gives rise to an obligation of a purchaser to make payment to

Escrow pursuant to the sales contract. Escrow shall thereafter notify the purchaser of the amount and due date of such payment. If the purchaser then fails to make such payment, then Escrow shall notify Seller. If Seller thereafter notifies Escrow that Seller has terminated the sales contract, then Escrow shall treat all such funds as funds of the Seller and not as funds of the purchaser. Upon written request by Seller, Escrow shall pay such sums to Seller, less any escrow cancellation fee, and Escrow shall thereafter be released from any further duties or liabilities under the Agreement with respect to such funds and such purchaser.

10. Paragraph 10 provides in part that Escrow shall be relieved from all liability for acting in accordance with the terms under the Agreement. If a dispute arises, Escrow shall not be required to take any action, but instead Escrow may (a) await settlement of the controversy by final appropriate legal proceedings, or (b) file a suit in interpleader and Escrow may deposit with the court any money held under the Agreement. Seller and the purchaser each agrees to pay Escrow on demand and indemnify and hold Escrow harmless from and against all costs, damages, judgments, attorneys' fees, expenses, obligations and liabilities reasonably suffered or incurred in connection with or arising out of this escrow.

11. Paragraph 11 provides that the Agreement shall be binding upon, shall apply to, and shall inure to benefit of the parties thereto and their respective devisees, personal representatives, successors, and assigns.

12. Paragraph 12 provides that the Agreement may be terminated by either party upon fifteen days written notice to the other. All transaction in process at the time of such termination shall be completed under the terms of the Agreement.

13. Paragraph 13 provides in part that the Agreement is supplementary and subject to the provisions of Chapter 514A, Hawaii Revised Statutes.

14. Paragraph 14 provides that Escrow shall furnish Seller with a semi-monthly report covering the status of each sales contract in escrow. After notice from the Seller that payments are due, Escrow shall bill each purchaser for payments due under the sales contract.

15. Paragraph 15 governs Escrow's compensation for performing the services under the Agreement. It provides in part that Escrow shall be paid \$_____ for each unit in the Project. Escrow shall also arrange for the issuance of a title insurance policy for the sum of \$_____ for each unit. An additional fee of \$_____ shall be charged to the purchaser for each mortgage obtained by the purchaser if the purchaser does not obtain a mortgage loan from a lender designated by the Seller. This compensation shall become due and payable upon the earlier of (a) the transfer to purchaser of legal title or (b) final disbursement of the funds held in escrow. In the event of a cancellation of any sales contract, a cancellation fee commensurate with the services rendered by Escrow, but not less than \$25.00, plus all costs incurred by Escrow, shall be charged to Seller, unless otherwise agreed to by Seller and the purchaser.

EXHIBIT "K"

Summary of Renegotiation of Lease Rents and Surrender Clause

The following is an explanation regarding the manner in which the Apartment Lease provides that renegotiated lease rents will be calculated and a description of the surrender clause provision in the Apartment Lease.

1. Renegotiation of Lease Rents. For each of the five (5) successive ten-year periods commencing on May 27, 2024, May 27, 2034, May 27, 2044, May 27, 2054, and May 27, 2064, the annual rent (the "New Annual Rent") shall be as agreed to in writing between the Lessor and the Lessee. The New Annual Rent for each such ten-year period shall be equal to the product of (i) the fair market value of the land on which the Project is located (the "Land") as of the date on which each such ten-year period commences (the date of commencement of each such ten-year period being hereinafter called the "New Rent Date"), times (ii) the prevailing rate of return, as of the New Rent Date, on land of similar location on the Island of Oahu and which is being used for the same purposes as the purposes to which the Land is actually being used as of the New Rent Date, times (iii) the undivided interest in the Land equal to the undivided interest in the common elements appurtenant to the Apartment as set forth in the Declaration. If the Lessor and the Lessee are unable to agree upon such fair market value or such prevailing rate of return, or both, the same shall be determined by arbitrators appointed as provided in the Apartment Lease, who shall ascertain such fair market value or such prevailing rate of return, or both, as of the New Rent Date. Such New Annual Rent, whether determined by agreement or arbitration, shall in no event be less than the annual rent payable during the immediately preceding rental period, and shall be payable in equal monthly installments in advance, on the first day of each month.

2. Determination of Fair Market Value of Land. In ascertaining the fair market value of the Land, the arbitrators shall assume for purposes of their appraisal that (i) the Land is vacant of all improvements, and (ii) the Land may be used only for the purposes for which the Land is actually being used as of the New Rent Date. The arbitrators shall also take into consideration the effect of any encumbrances on the Land not created by the Lessees and the effect of any provisions of the Apartment Lease and other leases demising an undivided interest in the Land, which, because they are binding upon all of the lessees, would affect the fair market value of the Land.

3. Description of Surrender Clause Provisions in the Apartment Lease. At the end of the Term or other sooner termination of the Apartment Lease, the Lessee must deliver to the Lessor possession of the Property, free and clear of all liens, claims, charges and encumbrances, in good repair, order and condition except for reasonable wear and tear and unavoidable casualty against which insurance is not required under the Declaration.